



Applying for an EDGE Grant

Encouraging Development, Growth & Expansion (EDGE)

How to give your application the best chance of being successful

Regina Mitchell
Director
Delaware Division of Small Business



Presenters

- **Welcome and EDGE basics**

- Regina Mitchell, Director, Division of Small Business

- **Financials and Rubrics**

- Andrew Harton, DSB Business Finance Unit Director

- **Small Business Development Center (SBDC) EDGE Support**


- Tom Thunstrom, Center Director, SBDC

- **Advice from a previous EDGE awardee**

- Kathy Collison, PINK Electric, Smyrna (EDGE Round 6)


Type any questions as you go into the Q & A
box

Additionally, we will repeat this several times – **we will post the recording and the slides for this presentation at de.gov/edge** by end of day today.



About the Division of Small Business (DSB)

The Division of Small Business is a service-focused State agency, within the Delaware Department of State that is committed to helping businesses start and grow in Delaware.

- The Division oversees the Delaware Tourism Office and the Office of Supplier Diversity.
 - Our main office is in Dover with a satellite office in Wilmington.
 - How we support small Businesses:
 - **Navigating government processes**
 - **Connecting you with resource organizations**
 - **Accessing capital**
- 

Our Team



Previous EDGE Rounds



Round 1, Summer 2019

Previous EDGE Rounds



Round 5, Spring 2022



Round 7, Spring 2023 – Entrepreneur Category



Round 6, Winter 2022

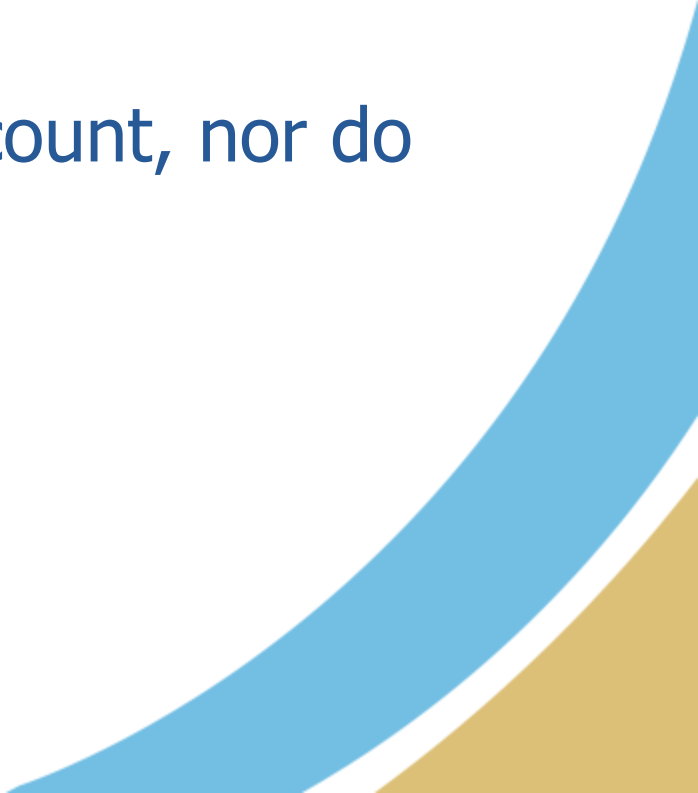


Round 7, Spring 2023 – STEM Category

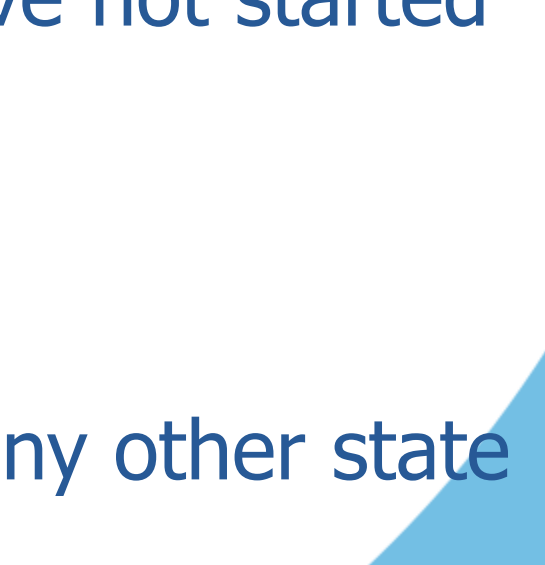
EDGE Grants

- 2 Categories
 - STEM
 - Entrepreneur
 - Awards
 - \$100k in STEM – 5 awards
 - \$50k in Entrepreneur – 5 awards
 - Competitive process
 - 100+ applications in last round
 - 14 finalists
 - 10 winners
- 

Who is eligible?

- 0-7 years in business
 - <10 full time or FTE employees
 - FTE: 2 part time = 1 full time
 - <10 hrs/wk or <4 months per year doesn't count, nor do contracted employees
 - Majority located in Delaware
 - Must have physical location in DE
 - Taxes on employee wages must go to DE
- 

Who is eligible?

- Net assets <\$500k
 - Those in business as well as those who have not started their business
 - 501c3
 - Must be compliant with DOL, DNREC and any other state regulators
- 

Formatting

- Times New Roman, size 12 font, double spaced
- **Maximum** of 20 pages including exhibits & financials
 - Balance Sheet and Income Statement required
- Must submit via PDF, electronically to edgegrants@delaware.gov

Deadline for applications

Friday Sept. 29

4:00 p.m.

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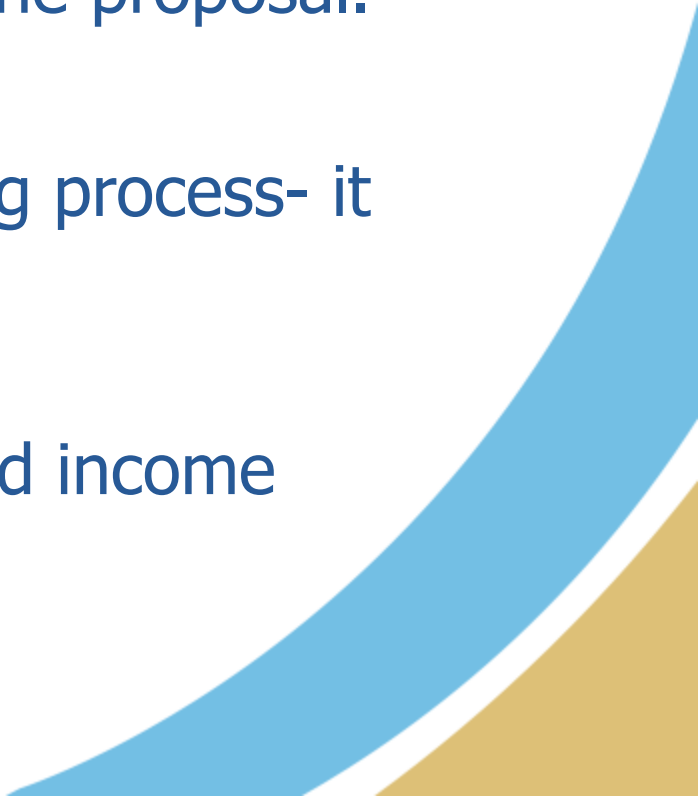
The Basics



Focus Areas

- Market sizing- go as far as you can w/ data, then make assumptions
 - The more targeted the better- who are your customers?
- Defining your competition
 - Think of your customers- what do they purchase instead of this?
 - Where do you fall in the market?
- Use SizeUp Delaware for market sizing and information on competition - <https://delaware.sizeup.com/>.
- SizeUp Webinar – Wed. Sept. 6 @ 1 p.m. Register here: https://us02web.zoom.us/webinar/register/WN_rgqxdqDiTEafxVm99I_RQA
- Challenges: Trust me, you have them
 - But that is ok!


Financials

- Make sure you include an income statement AND balance sheet.
 - Best applications incorporate the financial data into the proposal.
 - We don't evaluate the financials as part of the scoring process- it just allows us to better understand the narrative.
 - What is the difference between the balance sheet and income statement? What if you're not selling anything yet?
- 

Balance Sheet vs Income Statement

- The balance sheet is a snapshot of what your business owns (assets) and how those things were funded (liabilities vs equity).
- Remember, a balance sheet shows the items at the price they were purchased for or the cost incurred to make them. If you can't put a price on it, it probably doesn't belong on the balance sheet!
- The income statement shows the flow of revenues against expenses for a given period and shows the bottom line - profit or loss.
- Your business may not be making a profit yet, and that's ok. Just remember to be as detailed as you can be in the financials and the narrative.

3 to 1 Match

- When applying you are required to show you have some level of capital
 - STEM – for a \$100K grant, your match is approx. \$34K
 - Entrepreneur – for a \$50K grant, your match is just under \$17K
 - Match should be specific to this project
 - Other grants can be used for your match
- 

EDGE CHECKLIST

- ☐ **Company Background**
- ☐ **Owner/Management Bios**
- ☐ **Description of business need for project**
- ☐ **Project impact statement**
- ☐ **Competitive advantage to be gained through project**
- ☐ **Financial statements for most recent period completed**
 - ☐ **Income Statement**
 - ☐ **Balance Sheet**
- ☐ **Financial projections for the next five years, to include an analysis of product cost and pricing**
- ☐ **Detailed project budget**
- ☐ **Copy of Delaware business license (Must be Current and Valid)**
- ☐ **Signed and notarized Application**

STEM RUBRIC

0 - 10	11- 20	21 - 27	28 - 35	35 - 40
<p>- Company did not submit adequate information to make a determination of the ROI of the grant.</p>	<p>- Proposal shows that the company would be utilizing the grant as part of a crucial funding source in the development of a new product or service, but does not explain convincingly why this is a major innovation in the field.</p> <p>- Proposal attempts to show some ROI to the state for the grant investment, though more detail is needed and/or the defined ROI is not appropriate.</p> <p>- Proposal fails to show a coherent path for fundraising beyond EDGE grant to meet significant capital needs associated with a development life- cycle.</p> <p>- Proposal fails to explore alternatives for the company to succeed if stated research or innovation does not succeed.</p>	<p>- Proposal shows that the company would be utilizing the grant as part of a crucial funding source in order to develop a new innovation or disruptive technology in a given field. This innovation and its impact on the given field is explained, though not in a clear or convincing manner.</p> <p>- Proposal shows that a successful development of technology or successful research discovery may lead to a potential ROI for the state's grant investment, either through direct or indirect means. This is not supported with convincing data however, or the horizon is more than 10 years.</p> <p>- Proposal attempts to show how an EDGE grant would enable the company to attract additional fundraising over the coming years, though an end goal is undefined or unrealistic given supporting explanation.</p> <p>- Proposal fails to explore alternatives for the company to succeed if stated research or innovation does not succeed.</p>	<p>- Proposal shows that the company would be utilizing the grant as part of a crucial funding source in order to develop a new innovation or disruptive technology in a given field. This innovation and its impact on the given field is explained adequately with data, though some questions remain.</p> <p>- Proposal shows that a successful development of technology or successful research discovery would lead to a significant ROI for the state's grant investment, either through direct or indirect means.</p> <p>- Proposal attempts to show how an EDGE grant would enable the company to attract additional fundraising over the coming years, though an end goal is undefined or the level of funding needed for commercialization appears unrealistic.</p> <p>- Proposal explores alternatives for the company to succeed, though not in any great detail or in a convincing fashion.</p>	<p>- Proposal shows that the company would be utilizing the grant as part of a crucial funding source in order to develop a new innovation or disruptive technology in a given field. This innovation and its impact on the given field is explained thoroughly with data.</p> <p>- Proposal shows that a successful development of technology or successful research discovery would lead to a significant ROI for the state's grant investment, either through direct or indirect means.</p> <p>- Proposal maps out in a clear and coherent manner how an EDGE grant would enable the company to attract additional fundraising over the coming years to a level that supports commercialization of the product within ten years..</p> <p>- Proposal explores alternatives for the company to succeed even if the initial goal of research or initial aim of discovery fails to be achieved.</p> <p>- Research or innovation pursued aligns with strategic goals of other Delaware stakeholders such as public institutions of higher education, economic development efforts of the community, and other community organizations.</p>

Entrepreneur Rubric

0 - 10	11 - 15	16 - 20	21 - 25	26 - 30
<ul style="list-style-type: none"> - Proposal shows little to no justification of why the grant will address a business need. - No project budget is included with proposal. 	<ul style="list-style-type: none"> - Proposal makes some effort to describe how the grant will meet a need of the business. - Proposal fails to adequately explain how grant will directly improve the business in order to address stated need, or fails to adequately explain the importance of the stated business need. - Budget and business need are not clearly aligned and insufficient effort is made to explain the link, or items in budget are not clearly explained. 	<ul style="list-style-type: none"> - Proposal provides an adequate explanation of how the grant will address an important need of the business. - Business need is clearly stated, but is overly broad and/or not specific to a direct business improvement plan. - Proposal fails to consider alternative solutions to the business need that would not require grant funds. - Budget and business need are not sufficiently aligned or explained. 	<ul style="list-style-type: none"> - Proposal provides a compelling explanation of how the grant would address an important need of the business, and includes some data to support this claim. This may include an estimation of market size, market growth, company projected sales growth, and competitive analysis. - Proposal considers some alternative ways to accomplish business need but fails to provide adequate justification for why the stated project is the most effective way of doing so. - Business need is completely tied back to proposed project budget. All items in budget are explained and shown to be consistent with fulfillment of targeted business need. 	<ul style="list-style-type: none"> - Proposal provides a compelling explanation of how the grant would address a unique business need or business opportunity that cannot be easily accomplished using current resources. Data, including an estimation of market size, market growth, company projected sales growth, and competitive analysis is provided to justify these claims. - Proposal considers multiple alternative ways of accomplishing the business need and clearly justifies why the grant proposal is the most effective and efficient way of doing so. - Business need is completely tied back to proposed project budget- all items in budget are explained and shown to be consistent with fulfillment of targeted business need.

Entrepreneur Rubric (cont.)

COMMUNITY IMPACT

0 - 2	3 - 4	5 - 6	7 - 8	9 - 10
- Proposal does not include a significant explanation of the impact the business will have on its local community.	- Proposal gives some explanation of how the success of the business will have a positive impact on the surrounding community.	- Proposal gives some explanation of how the success of the business will have a positive impact on the surrounding community.	- Proposal gives a compelling explanation of how the success of the business will have a significant positive impact on the surrounding community, whether through job opportunities, economic growth, or other means.	- Proposal gives a compelling explanation of how the success of the business will have a significant positive impact on the surrounding community. This extends beyond job growth and economic activity to include philanthropic and/or local contributions to improve the surrounding community.

MWVBE STATUS BONUS

0	5
- Business cannot demonstrate MWVBE status.	- Business demonstrates MWVBE status.

GEOGRAPHICAL BONUS

0	5
-Business will not be located in a priority geographical area.	-Business will be located in a priority geographical area (Opportunity Zone and/or Downtown Development District), or plans to locate there in the near future.

What is an
Opportunity
Zone?



<https://business.delaware.gov/opportunity-zones/>

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Process - After Application Submission


Four rounds of internal review and scoring

**Judging on two separate days – one for
STEM, one for Entrepreneur**

**Estimated timeframe is the week after
Thanksgiving**



Process - After Award

- **Sign grant agreements**
 - **Confirm compliance before we disburse the funds**
 - **Reporting requirements afterward**
 - **5-year commitment to remain in state**
- 

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How the SBDC Can Help

UNIVERSITY OF
DELAWARE

AMERICA'S
SBDC
DELAWARE



DELAWARE SMALL BUSINESS DEVELOPMENT CENTER

How the SBDC Can Help



The Small Business Development Center

- Started here in Delaware 40 years ago
- Serving all three counties
- Funded by SBA and State of Delaware
- Hosted by University of Delaware
- Services are **FREE** and confidential

Celebrating 40 Years of Success



20,000+
Clients
Counseled



40,000+
People Trained



4,230+
Jobs Created



\$267M+
Capital
Formation



1,340+
New Business
Starts



\$900M+
Government
Contracts

How the SBDC Can Help

The SBDC brings the resources of UD, the SBA, and the State to your business.

- Develop a **business plan** to start or scale
- Improve strategic & operational **performance**
- Identify & access **capital** (including venture capital & bank financing)
- Conduct market **research & analysis**
- Develop business **resiliency & continuity** strategies
- Bid & win **government contracts**
- Prepare **financial projections**
- Access resources for **R&D and commercialization** (including intellectual property protection and technology transfer)
- Increase awareness of **cyber risks & security** protocols
- Explore & implement **digital marketing & e-commerce** solutions


How the SBDC Can Help



How the SBDC Can Help

EDGE Grant Best Practices

- Remember to show in your project budget what is planned to be funded from EDGE and what you plan to pay for or secure financing for (i.e. if your truck and the upgrades on truck cost \$60,000, how much of that is coming from EDGE and how much is out of pocket, loan, etc.)
- While your financial projections for the next 5 years are forecasted estimates, you want to show how an EDGE grant will result in additional sales, lower debt costs, and an increased bottom line
- Your financial projections should include scenarios for how your business performs with an EDGE grant award and how you will perform without the award
- TRACK and ACCOUNT for your expenses WHEN YOU WIN!



How the SBDC Can Help

Our EDGE Grant Role

- Once you speak with a Division of Small Business Regional Business Manager, they will refer you to the SBDC for advising.
- Our advising sessions are generally via Zoom.
- We work with you to review and improve your grant proposal and your financial projections. While we won't write your grant nor predict your sales or bottom line, we'll be happy to help strengthen your application and budget!

Thank you!



Tom Thunstrom
Center Director, SBDC Sussex
County

tthunstr@udel.edu

For more info on the Delaware SBDC:
delawaresbdc.org



Pink

ELECTRICAL SERVICES

DRIVEN BY INTEGRITY, QUALITY AND RELIABILITY

Kathy Collison

EDGE Round 6 Winner

August 30, 2023

Kathy@PinkElectrical.com

Path to Proposal Development

DSB
County
Manager

SCORE
Delaware
Mentor

Financials

SizeUp
Delaware



Pink 
ELECTRICAL SERVICES
DRIVEN BY INTEGRITY, QUALITY AND RELIABILITY

The Division on Social

**Updates
and
important
information
frequently
shared on
social**



@delawaresmallbusiness



LinkedIn.com/company/de-smallbusiness



@delawaresmallbusiness



@delbiz

The brand formerly known as Twitter

Sign up for our E-Newsletter



News & Events
Wednesday, August 23, 2023

- Distributed Weekly on Wednesdays
- Filled with partner resources and DSB News
- Go to business.Delaware.gov and sign up at the bottom of any page:

Sign up for updates!

Get news from Delaware Division of Small Business in your inbox.

* Email

By submitting this form, you are consenting to receive marketing emails from: Delaware Division of Small Business, 99 Kings Highway, Dover, DE, 19901, US, <http://www.business.delaware.gov>. You can revoke your consent to receive emails at any time by using the [SafeUnsubscribe@](#) link, found at the bottom of every email. [Emails are serviced by Constant Contact.](#)

Sign up!



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Contact the Division

- Online
 - Visit **business.delaware.gov/edge**
 - Fill out contact form, get to right person
 - Email
 - **business@delaware.gov**
 - Phone
 - Main number – 302-739-4271
- 

Business Managers

1. Wilmington Area – Joe Zilcosky
Joe.Zilcosky@delaware.gov
2. New Castle County – David Mathe
David.Mathe@delaware.gov
3. Kent County – Anastasia Jackson
Anastasia.Jackson@delaware.gov
4. Sussex County – Lauren Swain
Lauren.Swain@delaware.gov

Office of Supplier Diversity

Shavonne White

Shavonne.White@delaware.gov

<https://business.delaware.gov/osd/>



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